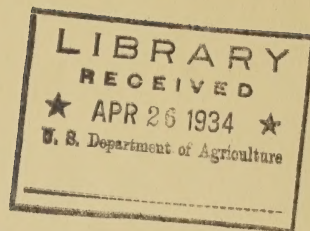


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# CATTLE CONTROL PROGRAM

Proposed by Cattle and Sheep Section  
Agricultural Adjustment Administration  
April 14, 1934

## Objective:

- A. Reduction of cow numbers and of annual production of all classes of cattle 15% by Jan. 1, 1937.
- B. Stabilization of the annual marketing of cattle and calves at the 1928-1932 level. (21,000,000 head)

## Plan:

- A. Cow Reduction Contract.
  - 20% gross reduction by Jan. 1937 per attached outline.
- B. Feeding Reduction Contract.
  - 15% gross reduction by July 1, 1936 per attached outline.
- C. Butterfat Reduction Contract.
  - 15% gross reduction per tentative contract proposed by Dairy Section.
- D. Fifty million dollar expenditure for removal of diseased cattle and the purchase of cattle and calves for relief purposes, per attached outline.



OUTLINE OF PLAN FOR DISEASE CONTRACT  
AND RELIEF PURCHASES

It is estimated that \$5,000,000 would eliminate 175,000 T. B. reactors, in addition to normal testing. \$10,000,000 for Bang's disease elimination should remove 500,000 cows. (Probably 90% of these cows would be dairy cows, of which 250,000 would not go into human consumption.)

The balance of funds available would be used for purchases of beef and veal to be distributed by the F.S.R.C. These purchases would be confined to cows and heifer calves. Relief requirements will use beef from 2,000,000 cows per year at rate of distribution as estimated through September. If all of \$35,000,000 were used for cow purchases, it should handle 1,750,000 cows. On this basis, 2,000,000 cows would be removed from the normal channels of trade. This estimate would be changed by the slaughter of heifer calves in place of cows as far as may be possible.

Canning facilities can be made available to handle around 4,000,000 cows a year.



## OUTLINE OF FEEDER CONTRACT

### The Feeder agrees to:

A. Reduce his sales of steers and heifers for slaughter for the year ending June 30, 1935 to 5% less than his average sales of steers and heifers for slaughter for the base period. (The base period shall be the period July 1, 1932 to June 30, 1934).

B. Reduce his sales of steers and heifers for slaughter for the year ending June 30, 1936 to 15% less than his average sales for the base period.

### Qualifications:

The sale of steers and heifers for slaughter shall in all cases be measured by the total live weight sold without regard to the number of head.

In determining the average sales for the base period, cattle which were not in the possession of the feeder for at least 60 days prior to the date of sale shall not be counted.

Signing this feeder contract shall not bar the feeder from signing a cow reduction contract.

### The Secretary agrees to:

Pay the feeder a benefit payment of 5¢ a lb. on 15% of his average sales of steers and heifers for slaughter for the base period 1932-33.

Such payment to be made as follows:

1. 50% at the time the contract is accepted.
2. 25% on July 15, 1935 upon proof of compliance with the contract to that date.
3. 25% on July 15, 1936 upon proof of compliance with the contract to that date.





## OUTLINE OF COW REDUCTION CONTRACT

### The Producer agrees to:

A. Reduce, by Jan. 1, 1935, the number of breeding females over 1 year of age, so that his inventory at that time is 5% below the average of his inventories as of Jan. 1, 1933 and Jan. 1, 1934.

B. Reduce, by Jan. 1, 1936, the number of breeding females over 1 year of age, so that his inventory number at that time is 13% below the average of his inventories as of Jan. 1, 1933 and Jan. 1, 1934.

C. Reduce, by Jan. 1, 1937, the number of breeding females over 1 year of age, so that his inventory number at that time is 20% below the average of his inventories as of Jan. 1, 1933 and Jan. 1, 1934.

### The Secretary agrees to:

Pay to the producer a benefit payment of \$10 per head upon 20% of the average number of breeding females as shown by his inventories as of Jan. 1, 1933 and Jan. 1, 1934. Such payment to be made as follows:

1. \$5.00 per head as soon as the contract is accepted.
2. \$2.50 per head Jan. 1, 1936 upon proof of compliance with the contract to that date.
3. \$2.50 per head Jan. 1, 1937 upon proof of compliance with the contract to that date.





# BUDGET SUMMARY

## A. Not to be repaid from processing tax on beef:

Disease cattle and relief purchases -	\$50,000,000
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## B. To be repaid from processing tax on cattle and calves:

	1934	1935	1936
Cow reduction	\$34,000,000	\$17,000,000	\$17,000,000
Feeding reduction	<u>7,000,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
	\$41,000,000	\$20,500,000	\$20,500,000

Total for 3 years -	\$82,000,000
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## Processing tax:

It is estimated that a processing tax of 25¢ per hundred pounds live weight of cattle and calves slaughtered for a period of three years would cover the above expenditures.

(Suggestive plan - not for release)

REPORT

TO THE BOARD OF DIRECTORS OF THE COMPANY

FOR THE YEAR ENDING 1900

AND TO THE STOCKHOLDERS OF THE COMPANY

1900	1899	1898	1897	1896
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

RESPECTFULLY SUBMITTED,

THE BOARD OF DIRECTORS

1901

THE BOARD OF DIRECTORS OF THE COMPANY

FOR THE YEAR ENDING 1900

AND TO THE STOCKHOLDERS OF THE COMPANY

RESPECTFULLY SUBMITTED,